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Foreign Crops and MARKETS



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LATE FOREIGN DEVELOPMENTS . . .

CANADA

The second estimate of the 1943 grain crop is somewhat lower for feed grains than the first estimate and slightly lower for bread grains. The latest estimates in million bushels with the 1942 figures in parentheses are as follows: Wheat 294 (593); oats 483 (652); barley 216 (259); rye 7 (25).

ARGENTINA

The wheat harvest is starting in early sections and trade reports predict above-average yields. Large yields of feed grains are also expected.

AUSTRALIA

Recent improvements in weather conditions are reported to have raised wheat prospects. Trade sources now forecast a crop of around 100 million bushels.

BULGARIA

Beginning November 1 restaurants in Bulgaria are permitted to sell meat, eggs, game, poultry, fish, meat preserves, and pork only against consumer coupons.

GERMANY

Germany has made it obligatory that all bristles from slaughtered hogs be delivered to the Government.

UNITED KINGDOM

The Ministry of Food announced that owing to the seasonal fall in production, which in some parts of the country was very pronounced, the non-priority allowance of milk was reduced from 2.5 to 2 pints per capita weekly beginning November 7. The allowance to children, mothers, and other priority consumers was left unchanged at 7 pints per week.

PARAGUAY

A decree of October 11 authorized the Agricultural Bank of Paraguay to import up to 3,300 short tons of sugar and 550 tons of edible oils before the end of the current crop year in order to alleviate anticipated shortages of those commodities. The imports are to be free of all customs duties and port charges. The 1943 sugar production of 9,900 tons was reported as falling short of domestic consumption requirements by 1,100 tons. The authorization to import 3,300 tons provides an opportunity to build up reserve stocks. Although importation of 550 tons of edible oils was authorized, the belief is that not more than 275 tons will be needed, in addition to existing stocks, to carry the country through until March 1944 when grinding of the new peanut crop will begin.

GRAINS AND GRAIN PRODUCTS . . .

Gordon P. Boals, in charge

FRENCH MOROCCO'S 1943 GRAIN CROPS SMALLER

The 1943 wheat production in French Morocco was below the level of the past 4 years but was still above the 1934-1938 average. The 1943 crop was estimated, early in the season, at 24.8 million bushels, or about 5 percent less than the figure reported for last year. Later information, however, indicates that actual returns were below the official estimates. Of the decrease, the greater change was reported in the soft wheat outturn, though the acreage reduction occurred almost entirely in hard wheat. Hard wheat and barley are grown almost exclusively by natives, while around 70 percent of the soft wheat is estimated to be under native cultivation, and 30 percent, cultivated by Europeans.

The country normally produces enough wheat and barley for domestic use, with some surplus for export to continental France, or to neighboring territories such as French West Africa. Last year's wheat supplies, however, fell below domestic requirements as the result of early season exports to France, and a considerable quantity of flour was brought in from the United States to supplement domestic supplies. This year, with a smaller crop harvested, it is reported that it may be difficult to provide for Morocco's requirements until the 1944 crop is available.

The substitution of some barley for wheat helped eke out short supplies of the latter grain in 1942. Smaller supplies of barley as well as wheat were reported for this year, however. The official estimate places that crop at 45.1 million bushels, which is about 2 million bushels below the 1942 production. The barley area in 1943 was about 6 percent less than the estimated 1942 seedings. In addition to the reduced acreage of these grains, the factors restricting outturns were drought and shortages of labor, motor fuel, and mechanical replacements. Some grasshopper and rust damage was also reported.

FRENCH MOROCCO: Acreage and production of wheat, barley and oats,
average 1934-1938, annual 1940-1943

YEAR	WHEAT			BARLEY	OATS
	HARD	SOFT	TOTAL		
ACREAGE	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres
AV. 1934-1938 :	2,322 :	849 :	3,171 :	4,240 :	88
1940	2,498 :	1,452 :	3,950 :	5,274 :	95
1941	2,466 :	1,249 :	3,715 :	5,419 :	88
1942	2,473 :	992 :	3,465 :	5,154 :	95
1943	2,204 :	983 :	3,187 :	4,848 :	88
PRODUCTION	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
AV. 1934-1938 :	15,267 :	7,918 :	23,185 :	52,709 :	2,055
1940	15,678 :	10,141 :	25,819 :	49,994 :	1,728
1941	18,166 :	10,839 :	29,005 :	63,786 :	2,465
1942	16,902 :	9,186 :	26,088 :	47,073 :	3,368
1943 <u>a/</u>	16,351 :	8,451 :	24,802 :	45,057 :	2,453

From official sources. a/ Official estimate reported higher than actual returns.

VEGETABLE OILS AND OILSEEDS . . .

Fred J. Rossiter, in charge

CANADIAN OILSEED PRODUCTION HIGHER DESPITE POOR YIELDS

A supplemental report on 1943 oilseed crops in Canada indicates that production was considerably higher than in 1942 although much below the goals set by the Dominion Provincial Conference last December. Unfavorable weather conditions were mainly responsible for the failure of many farmers to reach their acreage goals and for the low yields reported.

Flaxseed acreage was increased by 87.5 percent, while production rose by only 18.0 percent. The goal of 2,500,000 acres was exceeded by 298,000 acres. The 50,400 acres planted to soybeans represented little more than half of the goal of 90,400 acres. Since rapeseed and sunflower seed were produced on a commercial scale for the first time this year, the 1943 crops represent net contributions to the increase in Canada's oilseed production. (For a more detailed report on Canadian oilseed production, see Foreign Crops and Markets, September 20, 1943.)

CANADA: Area, production, and yield of specified oilseeds,
by provinces, 1943

PROVINCE	FLAXSEED			RAPESEED		
	AREA	PRODUCTION	YIELD	AREA	PRODUCTION	YIELD
	: Acres	: Bushels	: PER ACRE	: Acres	: Pounds	: PER ACRE
Manitoba	284,000:	2,800,000:	10:	1,474:	1,800,000:	1,221
Saskatchewan	2,084,400:	12,000,000:	6:	1,716:	1,028,500:	599
Alberta	400,000:	2,600,000:	6:	22:	15,400:	700
Ontario	24,000:	216,000:	9:	821:	574,700:	700
British Columbia ..	5,400:	73,000:	14:	-	-	-
Quebec	-	-	-	8:	4,800:	600
Total	2,797,800:	17,689,000:	6:	4,041:	3,423,400:	847
Total for 1942:	1,492,200:	14,992,000:	10:	a/	a/	-
	SOYBEANS			SUNFLOWER SEEDS		
	AREA	PRODUCTION	YIELD	AREA	PRODUCTION	YIELD
	: Acres	: Bushels	: PER ACRE	: Acres	: Pounds	: PER ACRE
Manitoba	2,500:	22,500:	9:	14,000:	9,800,000:	700
Saskatchewan	-	-	-	14,500:	8,700,000:	600
Alberta	-	-	-	500:	100,000:	200
Ontario	47,000:	874,200:	19:	-	-	-
British Columbia ..	900:	13,050:	14:	-	-	-
Total	50,400:	909,750:	18:	29,000:	18,600,000:	641
Total for 1942:	47,540:	931,290:	20:	a/	a/	-

Dominion Bureau of Statistics, Ottawa. a/ Not produced on a commercial scale.

COTTON AND OTHER FIBERS . . .

A. W. Palmer, in charge

INDIAN JUTE ESTIMATE FOR 1943 REVISED DOWNWARD

The second estimate, known as the "final forecast," places the 1943 jute area in India at 2,602,100 acres and the crop at 2,779,698,000 pounds, a decrease from the "preliminary forecast" of approximately 383,000 acres and 300,000 pounds. This year's acreage is well below that of 3,332,600 reported in the "final review" (fourth estimate) of 1942. The average for the 5 years 1937-1941 is 3,408,600 and the 10-year average for 1932-1941 is 2,944,100 acres. The 1943 crop is about 845,000,000 pounds below the 3,624,626,000 pounds reported for the preceding year. The 1937-1941 average was 3,514,736,000 pounds and the 1932-1941 average 3,377,772,000 pounds. Acreage and production estimates for 1942 and 1943, by Provinces and States, follow.

INDIA: Jute acreage, production, and yield,
by Provinces and States, 1942 and 1943

PROVINCE OR STATE	ACREAGE		PRODUCTION		YIELD PER ACRE	
	1942	1943	1942	1943	1942	1943
	1,000	1,000	1,000	1,000		
	acres	acres	pounds	pounds	Pounds	Pounds
Bengal	2,704	2,146	3,206,328	2,429,656	1,184	1,120
Cooch Behar	37	24	24,868	15,502	676	652
Tripura	15	12	12,600	10,000	840	832
Bihar	233	202	141,920	a/170,000	608	840
Orissa	24	24	22,390	26,580	952	1,116
Assam	320	194	216,520	127,960	676	660
Total	3,333	2,602	3,624,626	2,779,698	1,088	1,068

Compiled from consular reports.

a/ Includes 5,800,000 pounds, which is the probable import from Nepal.

The reduced yield per acre in Bengal is attributed to unfavorable weather conditions in various sections. Planting took place under favorable conditions generally, but drought in the Brahmaputra River Valley and excessive rain in some other sections of northern Bengal damaged the crop during the growing period.

Yields in Bihar averaged considerably better than in 1941 and 1942, but were still well under those of 1936 and preceding years. A high yield of 1,221 pounds per acre was estimated in 1932, and 1,028 in 1934. This year's crop in the Champaran region in northwestern Bihar is estimated at 95 percent of normal, but in other regions it is reported at from 57 to 75 percent of normal, because of heavy rains as in Purnea during April and May, or because of the prolonged drought experienced in some other sections.

The Cuttack region, where most of the Orissa jute crop is grown, experienced favorable weather throughout the season and turned out a record yield of 1,116 pounds per acre. Heavy rainfall in Assam through June and July caused the unusually low yields in that area this year.

LIVESTOCK, MEATS, AND WOOL . . .

Arthur T. Thompson, in charge

CANADA CONCLUDES NEW BACON CONTRACT WITH THE UNITED KINGDOM

A new bacon agreement, applicable to the calendar years 1944 and 1945 was recently concluded between the Governments of Canada and the United Kingdom. The new agreement calls for less bacon to be delivered to the British Ministry of Food annually in the next 2 years but at a slightly higher price than in 1942-43. Specifically, Canada contracted to supply not less than 900 million pounds of Wiltshire sides and other cuts to the British Food Ministry at an increase of 75 cents (Canadian) per 100 pounds within the next 2 years compared with the 1942-43 contract that called for the delivery of 675 million pounds in that one year. The new price for grade A Wiltshires is \$22.50 (\$20.45 United States) per 100 pounds.

The belief is that Canada fell somewhat short of delivering the quantity agreed upon for 1942-43 within the stated time, which expired on October 31. On October 16 there were still 155 million pounds to be purchased by the Bacon Board to complete the contract. At that time it was stated that it would probably take several more weeks to fulfill the contract at the then existing rate of weekly purchases, which were increasing.

HOG FEEDING NOW LESS PROFITABLE Higher grain prices make it less profitable to feed hogs than was the case a year ago, although theoretically the price of hogs is still high enough in relation to barley to maintain hog production. Actually however, it is believed that a higher price for hogs is necessary to induce hog producers in Eastern Canada to spend money for the purchase of feed grains to supplement the short crops produced in that part of the Dominion this year. On the other hand, the rise in the price of oats and barley by 10 and 15 cents (9 and 13 United States cents), respectively, makes it more profitable for hog producers in Western Canada to sell their grain rather than to feed it to hogs on the farms where it is grown.

Hog prices would have to be increased materially (approximately 25 percent) to encourage farmers in Western Canada to feed grains at present prices to hogs on their own farms. Since the stated policy of the Canadian Government is to keep down the cost of living, and since higher prices for hogs would entail a higher ceiling on pork prices to the consumer, the only way to raise hog prices would be to subsidize the producer. Such subsidization is not contemplated at present.

DECREASED PIG CROP EXPECTED One evidence of lessened interest in hog breeding in recent weeks is the heavy liquidation of sows. In the 40 weeks ended October 9 the number of sow carcasses graded amounted to 350,000 against only 200,000 in the same period last year. This indicates that the fall pig crop this year may turn out to be smaller than estimated on the basis of breeding intentions last June, which suggested a fall pig crop of 7.2 million head. It is now expected that the fall pig crop will only slightly exceed the spring crop of 6.2 million, which, however, was a record crop. Present prospects indicate a decrease in the

pig crop next spring owing to scarcity of feed in Eastern Canada, which will not be entirely offset by subsidized grain shipments from Western Canada. Another contributing factor is the reluctance of hog producers in Western Canada to feed barley and oats to hogs on their own farms as long as those grains can be disposed of more profitably by sales.

The fact must not be overlooked, however, that Canada has been an outstanding contribution to the United Kingdom food supply by stepping up hog numbers by 90 per cent and exports by 180 percent in the past 3 years of war. Should supplies of bacon for the United Kingdom fall somewhat short in the next 2 years they will undoubtedly be supplemented by additional supplies of other meats, probably beef.

CANADA: Numbers of hogs on farms, June 1, 1943, with comparisons

YEAR	EASTERN		WESTERN		TOTAL	
	JUNE 1	DEC. 1	JUNE 1	DEC. 1	JUNE 1	DEC. 1
	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands
1931	2,257:	2,163:	2,443:	2,101:	4,700:	4,264
1938	2,245:	2,260:	1,242:	1,309:	3,487:	3,569
1941 <u>a/</u>	2,858:	3,091:	3,235:	3,436:	6,093:	6,527
1942 <u>a/</u>	2,917:	3,333:	4,208:	4,418:	7,125:	7,751
1943 <u>a/</u>	3,089: <u>b/</u>	3,000:	5,059: <u>b/</u>	5,500:	8,148: <u>b/</u>	8,500

Dominion Bureau of Statistics Livestock Survey.

a/ Revised after decennial census returns.

b/ Estimated.

As the increased marketings of hogs this fall have exceeded packing-plant capacity, the Meat Board has rescinded the order limiting local slaughter by butchers to 50 percent of the 1940 level. It was stated also that existing limitations on packers' deliveries for domestic consumption through ordinary commercial channels will be relaxed to provide more pork for rationing, which has been on a reduced scale owing partly to large exports and partly to black-market operations.

BLACK MARKETING CONTINUES LARGE The black market has absorbed about 15 percent of the hog supply in the 6 months June-November, or about 1 million hogs, according to latest estimates, despite efforts made by the Canadian Government to channel more hogs into inspected plants from which export supplies are obtainable. Inspected slaughterings during the 6 months June-November were reported as running 15 to 20 percent above a year ago, but it is now estimated that by the end of November slaughterings from the spring pig crop will amount to 3.3 million hogs, which is considerably below earlier estimates. This is due partly to the fact that the spring pig crop was less than expected and partly to the fact that the disappearance through other than inspected slaughterings seems to be continuing abnormally large. During the period December-May inspected slaughterings showed an increase of only 1 percent compared with the same period a year earlier despite an increase of 16 percent in the 1942 fall pig crop.

CANADA: Disappearance of fall and spring pig crops, 1938-1943

YEAR ENDED NOVEMBER 30	PIGS SAVED	INCREASE IN NUMBER ON FARMS	EXPORTS	INSPECTED SLAUGHTER	OTHER DIS- APPEARANCES a/
	Thousands	Thousands	Thousands	Thousands	Thousands
1938					
1st half ...	2,822	-193	2	1,804	1,209
2d half	2,801	82	3	1,441	1,275
1939					
1st half ...	3,641	725	2	1,627	1,287
2d half	3,726	476	4	1,873	1,373
1940					
1st half ...	5,073	1,112	1	2,403	1,557
2d half	4,775	235	6	2,796	1,738
1941					
1st half ...	4,997	16	14	3,262	1,705
2d half	4,517	394	23	2,987	1,113
1942					
1st half ...	5,450	598	1	3,397	1,454
2d half	5,250	625	5	2,805	1,815
1943					
1st half ...	6,189	398	1	3,422	2,368
2d half b/...	6,400	350	7	3,328	2,715

Compiled from official sources, projected to December 1, 1943.

a/ Farm and local slaughter, deaths, errors of estimate, etc.

b/ Estimates; information furnished by Americal Embassy, Ottawa.

**CONSUMPTION OF MEAT
INCREASED IN CANADA**

Revised official estimates for the years 1935 to 1942 show that meat consumption in the Dominion has been increasing despite large shipments of bacon to the United Kingdom. In 1942 per capita consumption of all meats reached 135.2 pounds, an increase of 2 percent above 1941, and 11 percent above 1939. The largest increase above 1941 was in pork consumption, which was almost 3 pounds higher per capita in 1942. Beef consumption increased only 0.6 pound, and the consumption of veal decreased.

These new official estimates show a revision in annual hog slaughter, placing it slightly higher than in previous estimates, but the average dressed carcass weight excluding fats and offals, is 22 pounds less. Thus the per capita consumption of pork, according to these new estimates, ranges from 40 to 50 pounds instead of from 45 to 55 pounds as indicated by the earlier official estimates.

CANADA: Meat and lard consumption, total and per capita, 1935-1942

CALENDAR YEAR	PORK	BEEF	VEAL	MUTTON AND LAMB	EDIBLE OFFAL	TOTAL MEAT	LARD
	: Million	: Million	: Million	: Million	: Million	: Million	: Million
Total -	: pounds	: pounds	: pounds	: pounds	: pounds	: pounds	: pounds
1935	429	607	115	65	a/	1,216	42
1936	444	631	121	61	a/	1,257	40
1937	465	630	142	62	a/	1,299	38
1938	461	662	125	61	a/	1,309	44
1939	493	633	127	61	68	1,382	58
1940	519	670	133	54	72	1,448	78
1941	535	720	137	59	80	1,531	85
1942	572	735	127	61	80	1,575	101
Per capita -	: Pounds	: Pounds	: Pounds	: Pounds	: Pounds	: Pounds	: Pounds
1935	39.2	55.5	10.5	5.9	a/	111.1	3.9
1936	40.3	57.2	11.0	5.5	a/	114.0	3.7
1937	41.8	56.6	12.8	5.6	a/	116.8	3.4
1938	41.1	59.0	11.1	5.4	a/	116.6	3.9
1939	43.6	56.0	11.2	5.4	6.0	122.2	5.2
1940	45.4	58.7	11.7	4.7	6.3	126.8	6.8
1941	46.5	62.5	11.9	5.2	7.0	133.1	7.4
1942	49.1	63.1	10.9	5.2	6.9	135.2	8.6

Dominion Bureau of Statistics mimeographed report, October 13, 1943.

a/ Not shown separately prior to 1939.

UNION OF SOUTH AFRICA EXTENDS MEAT CONTROL

The Price Controller of the Union of South Africa has extended the area of controlled markets to include Port Elizabeth, East London, Bloemfontein, Kimberley and Pietermaritzburg. Arrangements have been made for beef, mutton, and lamb gradings in those areas and for the application of maximum wholesale and retail prices, thus bringing them in line with the earlier controlled areas, Witwatersrand, Pretoria, Cape Town, and Durban. The movement of livestock and meats into all of those areas is subject to quotas. The fact that better prices for meat were available outside the controlled areas had led to a considerable shortage in controlled areas and to the extension of the meat control. 1/

Prices have been slightly revised, and now the gross price that farmers will receive is from 2 to 3 shillings (40 to 60 cents) less per head for cattle and 4 to 4 pence (7 to 8 cents) less per sheep than the maximum prices fixed on July 20. The new schedule of prices came into effect on September 6.

Local associations of meat traders failed in their efforts to obtain a price ceiling on livestock, which was opposed by farmers. The former have therefore advocated the complete removal of price control. It is stated that livestock sold in uncontrolled areas bring 10 shillings (\$1.99) per head more than in the controlled

1/ See Foreign Crops and Markets, September 27, 1943.

areas. The local meat associations used as part of their argument for ceiling prices on livestock the fact that the four controlled markets were receiving only 90 percent of their normal requirements through the usual channels. Part of this shortage had been made up by individual butchers who, in order to keep their businesses going, were buying in the open market and selling below cost. The meat associations expressed no objection to the principle that the consumer be protected but objected to a system of price control which they contended was impractical and did not allow a fair margin of profit to the trade.

The Minister of Agriculture and Food Controller (both offices being held by one man) stated that under no circumstances would fixed meat prices be withdrawn. He stated that the Railway Administration had placed the maximum number of available trucks at the disposal of the Department of Agriculture for the importation of livestock into the Union from South-West Africa, which livestock would be used to supply convoys and for military purposes. The surplus, if any, could be passed on to the trade. He also said that Government buyers of livestock were not at present competing with private enterprise and that no purchases had been made on local markets in competition with wholesalers for several months. Such purchases were on a minimum scale and Government buying was to be reduced still farther. He stated further that as long as he was Minister of Agriculture he would do everything to prevent any private monopoly from coming into existence and that if there was to be a monopoly, it should be run by the Government.

SOUTH AFRICA NEEDS MORE WOOL GOODS FROM THE UNITED KINGDOM

The Union of South Africa is in need of more wool goods from the United Kingdom, especially hosiery. Although the Union produces large quantities of fine wool, most of the raw material has been exported and wool manufacturers have been imported. The consumption of raw wool in the Union before the war was negligible, and only a small increase has occurred since the war began. Prior to 1936 the United Kingdom supplied most of the Union's imports of manufactured woollen and worsted goods. In 1937 and 1938, however, imports from Italy and Japan increased materially. On a value basis, the United Kingdom supplied 83 percent of the imports of woollen goods in 1935. By 1937 this had been reduced to only 62 percent. Imports from all sources in 1937, however, were valued at 37 percent more than in 1935. Imports from South America have increased since the war began, but in July Argentina adopted a decree making it necessary to obtain a license for wool goods before they could be sent out of the country. It has been reported that the issuance of permits for import into South Africa from South America have been definitely suspended by the South African Government.

The South African Controller of Textiles has decided to make strong representations to the British Government with the object of having its prohibition on exports to South Africa, especially of wool hosiery, relaxed. South African importers of relatively small quantities have been urged to combine all their orders into one of substantial size. It is stated that the South African Control is willing to issue certificates of essentiality whenever the importer can establish the fact that the goods are available in England, that they are free of any quota, and that the manufacturer will not be required to obtain yarn replacement certificates to enable him to fill the order.